



**USAID**  
FROM THE AMERICAN PEOPLE

## Cooperation with China on International Development

### BACKGROUND

China has experienced high levels of sustained economic growth, averaging over 10 percent per year for the past two decades and in the second quarter of 2010, China surpassed Japan as the world's second-largest economy. From 1990 to 2005, China's poverty rate fell from 60 percent to 16 percent, and the absolute number of extremely poor fell from 683 million to 208 million. China has become an influential development actor, and its economic success is significantly and directly impacting developing countries in Sub-Saharan Africa, Asia, and Latin America. According to the World Bank's 2010 Global Monitoring Report, "Development assistance from China will likely more than double in the next three years." As China's role in development cooperation grows, the U.S. Agency for International Development (USAID) is in discussions with relevant Chinese government and non-governmental entities to develop a closer working relationship on global development challenges. To meet this goal, in 2008 USAID created a Development Counselor position at the U.S. Embassy in Beijing to better understand China's foreign assistance structure and establish a working relationship with key Chinese entities<sup>1</sup> responsible for implementing its foreign assistance programs.

### OBJECTIVES

- Develop a joint working relationship between USAID and China on development issues of common and strategic interest to both countries.
- Encourage China to adopt internationally agreed standards on good donorship.

### U.S. - CHINA STRATEGIC AND ECONOMIC DIALOGUE



For the past five years, the United States and China have convened an annual high-level *Strategic and Economic Dialogue (S&ED)* to address issues of mutual interest. Since 2009, the S&ED agenda has included sessions on addressing global development challenges. In May 2010, USAID Administrator, Dr. Rajiv Shah and China's Ministry of Commerce, (MOFCOM) Vice Minister Fu Ziying met and exchanged views on development issues. As part of the overall U.S.-China engagement, a number of sub-Dialogues take place every year on Africa, Latin America, Asia, and Afghanistan and Pakistan.

### COOPERATION IN TECHNICAL AND REGIONAL AREAS

#### Health

USAID and China are in the early stages of undertaking a joint assessment on health issues, specifically maternal and child health (MCH) and malaria that will focus on two African countries. The assessment outcomes are expected to be reported at the second China-Africa health conference scheduled for late-2010 as well as at the 2011 *U.S.-China Strategic and Economic Dialogue*.



<sup>1</sup> Working relationships have been established with both government and non-governmental institutions.



**USAID**  
FROM THE AMERICAN PEOPLE

## Cooperation with China on International Development

---

In addition, USAID is sharing its extensive experience in facilitating public private partnerships (PPPs) and global development alliance (GDA) with Chinese entities in the health sector.

### Agriculture and Food Security in Africa

In the fall of 2010, USAID and China will hold a two day agriculture and food security information exchange workshop in Beijing that will include representatives from China's Ministry of Agriculture and MOFCOM. The workshop is part of the U.S.-China information exchange program on respective development initiatives that will act as a vehicle for future collaboration in the Africa and around the world. This first workshop will focus mostly on African Union New Partnership in Development's (AU/NEPAD) *Comprehensive African Agriculture Development Program* (CAADP), an Africa-owned and Africa-led initiative to boost agricultural productivity and distribution in Africa.

Furthermore, USAID outreach efforts to engage China in the developing world continue to grow. Several USAID missions in Africa have discussions with Chinese embassies in host countries to seek ways to improve on-the-ground development assistance cooperation with China. For example, earlier this year USAID Mission and the Chinese Embassy in Liberia completed the rehabilitation of the University of Liberia's School of Engineering. The project was handed over to the Government of Liberia in July 2010. Currently, preliminary discussions continue with China in other African countries including Tanzania and in Sudan to explore possible collaboration in health and agriculture.



### **CHINA-DAC STUDY GROUP**

USAID, along with other DAC members<sup>2</sup> and observers, are working with the Chinese government and academia, particularly the *International Poverty Reduction Center in China* (IPRCC), to share experiences and promote learning about growth and poverty reduction in China and African countries. Taking an events-driven approach, the Study Group explores the two themes through a series of events on development partnerships, agriculture and rural development, infrastructure and the enabling environment for enterprise development. Key stakeholders from the government, academia, private sector, and civil society in China, African countries, and the international donor community participate in the events. USAID will co-host the final China-DAC Study Group event on enterprise development in late-2010 in Addis Ababa, Ethiopia. The outcome of the China-DAC Study Group events will be published in a report based on the main findings from the series of events and will present key recommendations to the Chinese authorities and DAC members at a final event in Beijing in early 2011.



### **FACILITATION OF PUBLIC-PRIVATE PARTNERSHIPS (PPP)**

USAID signed a Memorandum of Understanding with MOFCOM in 2009 to facilitate and encourage PPPs for longer-term reconstruction efforts in earthquake affected Sichuan Province. The PPP model enables partners to deepen the impact of development assistance as they bring their strongest assets to jointly address the challenges arising from natural disasters. As a result, a three-year, \$45 million partnership led by Cisco Systems and The Asia Foundation was established. This partnership will assist China's National Institute of Emergency Management at the National School of Administration to develop training programs and policy research.

---

<sup>2</sup> Belgium, the European Commission, France, Germany, Japan, Norway, the United Kingdom, and the World Bank.